



OFFICIAL GAZETTE

GOVERNMENT OF GOA

EXTRAORDINARY

No. 3

GOVERNMENT OF GOA

Department of Finance

Finance Commission Division

Notification

G. O. Ms. No.-1/5/2006-Fin (Bud)

In exercise of the powers conferred by Section 8 of the Goa Fiscal Responsibility and Budget Management Act, 2006 (Act No. 12 of 2006) the Government of Goa hereby makes the following rules, namely:—

By order and in the name of the Governor of Goa.

Ramesh Negi, Commissioner & Secretary, Finance.

Porvorim, 26th November, 2007.

The Goa Fiscal Responsibility and Budget Management Act, 2006 (Act No. 12 of 2006)

Rules

(1) *Short title and commencement.*— (1) These rules may be called the Goa Fiscal Responsibility and Budget Management Rules, 2007.

(2) They shall come into force with immediate effect.

2. Definitions

In these rules, unless the context otherwise requires,—

a. "Act" means the Goa Fiscal Responsibility and Budget Management Act, 2006;

b. "Form" means a form appended to these rules;

c. "Section" means a section of the Act;

d. Words and expressions used herein but not defined and defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Medium Term Fiscal Plan

(1) The Medium Term Fiscal Plan, as required under sub-section (1) of section 3, of the Act shall include in **Form F-1** three years rolling targets in respect of the following fiscal indicators:

a. Revenue deficit as a percentage of TRR;

b. Fiscal deficit as a percentage of GSDP;

c. Outstanding total liabilities as a percentage of GSDP;

d. Ratio of Interest payment to total revenue receipt.

(2) The Medium Term Fiscal Plan shall also explain the assumptions underlying the above-

-mentioned targets for fiscal indicators and an assessment of sustainability relating to the items indicated in sub-section (3) of section 3 of the Act.

(3) The Medium Term Fiscal Plan shall contain the medium term fiscal objectives of the Government, the evaluation of performance of the prescribed fiscal indicators etc., as indicated in sub-section (4) of section 3 of the Act, in the **Form F-2**

4. Disclosures

(1) The State Government shall, at the time of presenting the budget, make disclosures as required under section 6 of the Act together with the following statements:

(a) a statement of select indicators of fiscal situation in **Form D-1**;

(b) a statement on components of State Government liabilities and interest cost of borrowings/mobilisation of deposits in **Form D-2**;

(c) a statement on the Consolidated Sinking Fund in **Form D-3**;

(d) a statement on guarantees given by the Government in **Form D-4**;

(e) a statement on outstanding risk-weighted guarantees in **Form D-5**;

(f) a statement on the Guarantee Redemption Fund in **Form D-6**;

(g) a statement giving details of number of employees in Government, public sector and aided institutions and related salaries and pensions in **Form D-7**.

(2) The provisions of sub-rule (1) shall be complied with not later than three years after the coming into force of the Act.

5. Measures to enforce compliance

In case the outcome of the quarterly reviews of trends in receipts and expenditure, at the end of the second quarter of any financial year shows that-

i. the total non-debt receipts are less than 40 per cent of Budget Estimates for that year; or

ii. the fiscal deficit is higher than 45 per cent of the Budget Estimates for that year; or

iii. the revenue deficit is higher than 45 per cent of the Budget Estimates for that year;

then-

as required under sub-section 2 of section 7 of the said Act, the Minister-in-charge of the Ministry of Finance shall make a statement in the Legislature during the session immediately following the end of the second quarter detailing the corrective measures taken and the prospects for the fiscal deficit of that financial year.

Form F-1

(See Rule 3)

A. Fiscal Indicators-Rolling Targets

	Previous Year (Y-2) Actuals	Current Year (Y-1) Budget Estimates (BE)	Current Year (Y-1) Revised Estimates (RE)	Ensuing Year (Y) Revised Estimates (BE)	Targets for next Two Years Y+1 Y+2
1. Revenue Deficit as percentage of GSDP					
2. Revenue Deficit as percentage of Total Revenue Receipts					
3. Fiscal Deficit as percentage of GSDP					
4. Total outstanding Liabilities as percentage of GSDP					
5. [Any additional target(s)]					

B. Assumptions underlying the Fiscal Indicators

1. Revenue receipts

- (a) Tax-revenue-Sectoral and GSDP growth rates
- (b) Non-tax-revenue-Policy
- (c) Devolution to Local Bodies
- (d) Share of own tax revenue to total tax revenue
- (e) Share of own non-tax revenue to total non-tax revenue

2. Capital receipts — Debt stock, repayment, fresh loans and policy stance

- (a) Loans and advances from the Centre
- (b) Special securities issues to the NSSF
- (c) Recovery of loans and advances
- (d) Borrowings from financial institutions
- (e) Other receipts (net)-small savings, provident funds, etc.
- (f) Outstanding Liabilities-Internal Debt and Other Liabilities

3. Total expenditure — Policy Stance

(g) Revenue account

(i) *Interest payments*— (a) on borrowings during the year (aggregate and category-wise; (b) on outstanding liabilities-(i) (aggregate and category-wise)

- (ii) Major subsidies
- (iii) Salaries
- (iv) Pensions
- (v) Others.
- (h) Capital account
 - (i) Loans and advances
 - (ii) Capital Outlay

4. GSDP Growth

C. Assessment of sustainability relating to:

(i) The balance between receipts and expenditure in general and revenue receipts and revenue expenditure in particular. The Medium Term Fiscal Policy Statement may specify the tax-GSDP ratio, own tax-GSDP ratio and State's share in Central tax-GSDP ratio for the current year and subsequent two years with an assessment of the changes required for achieving it. It may discuss the non-tax revenues and the policies concerning the same. Expenditure on revenue account, both plan and non-plan, may be also discussed with particular emphasis on the measures proposed to meet the overall objectives. It may discuss policies to contain expenditure on salaries, pension, subsidies and interest payments. An assessment of the capital receipts shall be made, including the

borrowings and other liabilities, as per policies spelt out. The statement shall also give projections for GSDP and discuss it on the basis of assumptions underlying the indicators in achieving the sustainability objective.

(ii) The use of capital receipts including market borrowings for generating productive assets. The Medium Term Fiscal Policy Statement may specify the proposed use of capital receipts for generating productive assets in different categories. It may also spell out the proposed changes among these categories and discuss them in terms of the overall policy of the Government.

(iii) The estimated yearly pension liabilities worked out on actuarial basis for the next ten years. In case it is not possible to calculate the pension liabilities on actuarial basis during the period of first three years after the coming into force of this Ordinance, the State Government may, during that period, estimate the pension liabilities by making fore cases on the basis of trend growth rates (i.e. average rate of growth of actual pension payments during the last three years for which data are available).

Form F-2

(See Rule 3)

Medium Term Fiscal Plan

A: Fiscal Policy Overview: [This paragraph will present an overview of the fiscal policy currently in vogue.]

B: Fiscal policy for the ensuing year: This paragraph shall have, inter alia, six sub-paragraphs dealing with—

(1) Tax Policy

In the sub-paragraph on tax policy, major changes proposed to be introduced in direct and indirect taxes in the ensuing financial year will be presented. It shall contain an assessment of exemption in various taxes and how far it relates to principles regarding tax exemptions.

(2) Expenditure Policy

Under expenditure policy, major changes proposed in the allocation for expenditure shall be indicated. It shall also contain an assessment of principles regarding the benefits and target group of beneficiaries.

(3) Borrowings and Other Liabilities, Lending and Investments

In this sub-paragraph on borrowings, the policy relating to internal debt, including the access to WMA/OD facility from the Reserve Bank of India, Government

lending, investments and other activities; including principles regarding average maturity structure, bunching of repayments, etc., shall be indicated. The borrowings by Public Sector Undertakings and Special Purpose Vehicle, lending, investments, pricing of user charges on public goods and utilities and description of other activities, and activities of Public Sector Undertakings which have potential budgetary implications; and the key fiscal measures and targets pertaining to each of these shall be indicated.

(4) Consolidated Sinking Fund

In this sub-paragraph, the policy related to the Consolidated Sinking Fund (CSF) shall be indicated.

(5) Contingent and other Liabilities

Any change in the policy on contingent and other liabilities, in particular guarantees, which have potential budgetary implications shall be indicated. Any change in the policy related to borrowings by special purpose vehicle (SPV) and other equivalent instruments where liability for repayment is on the State Government shall be indicated. The policy on building up of the Guarantee Redemption Fund (GRF) and commission charges/collected for guarantees issued shall also be indicated.*

6) Levy of User Charges

Any change proposed in the levy of user charges of public services shall be spelt out.

C. Strategic priorities for the ensuing year:

[(1) Resource mobilization for the ensuing financial year through tax, non-tax and other receipts shall be spelt out.

(2) The broad principles underlying the expenditure management during the ensuing year shall be spelt out.

(3) Priorities relating to management of public debt proposed during the ensuing year shall be indicated:]

D: Rationale for Policy changes:

[(1) The rationale for policy changes consistent with the Medium Term Fiscal Plan, in respect of taxes proposed in the ensuing Budget shall be spelt out.

(2) The rationale for major policy changes in respect of budgeted expenditure including expenditure on subsidies and pensions shall be indicated.

(3) Rationale for changes, if any, proposed in the management of the public debt shall be indicated.

(4) The need for changes, if any, proposed in respect of the charges for public utilities shall be spelt out.]

E. Policy Evaluation:

[The paragraph shall contain an evaluation of the changes proposed in the fiscal policy for the ensuing year with reference to fiscal deficit reduction and objectives set out in the Medium Term Fiscal Plan.]

Form D-1

(See Rule 4)

Select Fiscal Indicators

Sr. No.	Item	Previous Year	Current Year
		(Actuals)	(RE)
1.	Gross Fiscal Deficit as Percentage of GSDP.		
2.	Revenue Deficit as Percentage of Gross Fiscal Deficit.		
3.	Revenue Deficit as Percentage of GSDP.		
4.	Revenue Deficit as Percentage of TRR.		
5.	Total Liabilities - GSDP Ratio (%).		
6.	Total Liabilities - Total Revenue Receipts (%).		
7.	Total Liabilities - State's Own Revenue Receipts (%).		
8.	State's Own Revenue Receipts to Revenue Expenditure (%).		
9.	Capital Outlay as Percentage of Gross Fiscal Deficit.		
10.	Interest Payment as Percentage of Revenue Receipts.		
11.	Salary Expenditure as Percentage of Revenue Receipts.		
12.	Pension Expenditure as Percentage of Revenue Receipts.		
13.	Non-developmental Expenditure as Percentage of aggregate disbursements.		
14.	Gross Transfers from the Centre as Percentage of Aggregate Disbursements.		
15.	Non-tax Revenue as Percentage of TRR.		

Form D-2

(See Rule 4)

A. Components of State Government Liabilities

(Rs. Crore)

Category	Raised during the Fiscal Year		Repayment/Redemption during the Fiscal Year		Outstanding Amount (End March)	
	Previous Year (Actuals)	Current Year (RE)	Previous Year (Actuals)	Current Year (RE)	Previous Year (Actuals)	Current Year (RE)
Market Borrowings						
Loans from Centre						
Special Securities issued to the NSSF						
Borrowings from Financial Institutions/ Banks						
WMA/OD from RBI						
Small Savings, Provident Funds, etc.						
Reserve Funds/ Deposits						
Other Liabilities						
Total						

Form D-2

(See Rule 4)

B. Weighted Average Interest Rates on State Government Liabilities

(Per cent)

Category	Raised during the Fiscal Year		Outstanding Amount (End-March)	
	Previous Year (Actuals)	Current Year (RE)	Previous Year (Actuals)	Current Year (RE)
Market Borrowings				
Loans from Centre				
Special Securities issued to the NSSF				

1	2	3	4	5
Borrowings from Financial Institutions/ /Banks				
WMA/OD from RBI				
Small Savings, Provident Funds, etc.				
Reserve Funds/ /Deposits				
Other Liabilities				
Total*				

* Weighted average interest rate where the respective weight is the amount borrowed. This is calculated on contractual basis and then annualized.

* Weighted average interest rate where the weights are the amount of the respective components of State Government liabilities.

Form D-3

(See Rule 4)

Consolidated Sinking Fund (CSF)

(Amount in Rs. Crore)

Outstanding balance in CSF at the beginning of the previous year	Additions to CSF during the previous year	Withdrawals from CSF during the previous year	Outstanding balance in CSF at the end of the previous year beginning of current year	(4)/ Outstanding Stock of SLR Borrowings (%)	Additions to CSF during the current year	Withdrawals from CSF during the current year	Outstanding at the end of current year/ /beginning of ensuring year	(8)/Stock of SLR Borrowings (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Form D-4

(See Rule 4)

Guarantee given by the Government

Category (No. of Guarantees within bracket)	Maximum amount guaranteed during the year (Rs. crore)	Outstanding at the beginning of the year (Rs. crore)	Additions during the year (Rs. crore)	Reductions during the year (other than invoked during the year) (Rs. crore)
(1)	(2)	(3)	(4)	(5)

Invoked during the year (Rs. crore)		Outstanding at the end of the year	Guarantee Commission or Fee (Rs. crore)		Remarks
Discharged	Not discharged	(Rs. crore)	Receivable	Received	
(6)	(7)	(8)	(9)	(10)	(11)

Note: Reporting year refers to the second year preceding the year for which the Budget is presented.

Form D-5

(See Rule 4)

Outstanding Risk-weighted Guarantees

(Amount in Rs. Crore)

Default Probability	Risk weights (per cent)	Amount outstanding as in the Previous Year and the Current Year	Risk weighted outstanding guarantee in the Previous Year and Current Year
Direct Liabilities	100		
High Risk	75		
Medium Risk	50		
Low Risk	25		
Very Low Risk	5		
Total Outstanding			

Note: The risk-weights have been pre-specified for various risk categories

Form D-6

(See Rule 4)

Guarantee Redemption Fund (GRF)

(Amount in Rs. Crore)

Outstanding invoked guar- antees at the end of the Previous Year	Outstanding Amount in GRF at the end of the Previous Year	Amount of Guarantees likely to be invoked during the Current Year	Addition, to GRF during the Current Year	Withdrawal from the GRF during the Current Year	Outstanding Amount in GRF at the end of the Current Year
(1)	(2)	(3)	(4)	(5)	(6)

Notes:

- As per the terms of the GRF during each year, the Government is required to contribute an amount equivalent at least to 1/5th of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees issued during the year
- Previous year refers to the year preceding the current year.

Form D-7

(See Rule 4)

Number of Employees in Public Sector Undertakings & Aided Institutions Expenditure of State Government

Sl.No.	Sector Name	Total Employees as on 31-03-	Related Expenditure during (Rs. in crores)	
			On Salary	On Pension
1.	State Government			
2.	Judiciary			
3.	Aided Educational Institutions			
4.	Zilla Praja Parishads			
5.	Mandal Praja Parishads			
6.	Gram Panchayats			
7.	Municipal Corporations			
8.	Municipalities			
9.	Urban Development Authorities			
10.	Agricultural Market Committees			
11.	Zilla Grandhalaya Samasthas			
12.	State Public Sector Undertakings			
13.	Universities			
14.	Co-operative Institutions and other Government Bodies			
15.	Temples			
TOTAL				